

Message Text

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FM AMEMBASSY RANGOON
TO SECSTATE WASHDC 5275
INFO AMEMBASSY BANGKOK
CINCPAC
AMCONSUL HONG KONG
USLO PEKING
AMCONSUL MANDALAY

C O N F I D E N T I A L SECTION 1 OF 3 RANGOON 1476

E.O. 11652: GDS
TAGS: PINT, SNAR, BM, CH
SUBJECT: COMMUNIST INSURGENCY IN BURMA INTENSIFIES

REF: (A) RANGOON 1089; (B) 77 RANGOON 245

SUMMARY: THE 1977-78 DRY SEASON HAS SEEN THE MOST INTENSIVE FIGHTING IN RECENT YEARS BETWEEN THE BURMA ARMY AND FORCES OF THE BURMA COMMUNIST PARTY (BCP). OPERATING IN GROUPS UP TO 1500 STRONG, THE BCP AGGRESSIVELY TRIED TO PUSH THEIR WAY WESTWARD ACROSS THE SALWEEN RIVER IN THE EASTERN SHAN STATE, BUT IN EACH INSTANCE, BY VIRTUE OF THEIR NUMERICAL SUPERIORITY, THE ARMY WAS ABLE TO PUSH THEM BACK, WHILE INFLECTING HEAVY CASUALTIES. AT PRESENT, WE BELIEVE THAT THE BURMA ARMY CAN CONTINUE TO CONTAIN THIS THREAT MILITARILY, BUT IT IS CLEAR THE GOVERNMENT HAS NO INTENTION OF TRYING TO DRIVE THE BCP OUT OF THEIR STRONGHOLD EAST OF THE SALWEEN. THUS THE PROSPECTS ARE FOR CONTINUED FIGHTING. THE INSURGENT IS BECOMING A SERIOUS ECONOMIC DRAIN AND WILL CONTINUE TO UNDERMINE THE ARMED FORCES' LIMITED
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CAPABILITY TO MAINTAIN SECURITY GENERALLY. THE FIGHTING HAS AN IMPORTANT BEARING ON NARCOTICS SUPPRESSION AS WELL, SINCE OVERALL LACK OF GOVERNMENT CONTROL OF TERRITORY IN SHAN STATE, BURMA'S MAIN OPIUM PRODUCING AREA, IS THE GREATEST SINGLE FACTOR INHIBITING NARCOTICS SUPPRESSION. INDICATIONS NOW ARE THAT NE WIN, HAVING ALL BUT ABANDONED HOPE OF TRYING TO RESOLVE THE BCP PROBLEM BY DIPLOMACY, IS DE-EMPHASIZING

RELATIONS WITH THE PRC IN FAVOR OF CLOSER TIES WITH
NEIGHBORING COUNTRIES AND THE WEST, INCLUDING THE US.
END SUMMARY

1. FIGHTING BETWEEN THE BURMA COMMUNIST PARTY (BCP) AND GOVERNMENT FORCES DURING THE 1977-78 DRY SEASON WAS ON A LARGER SCALE AND MORE INTENSIVE THAN IN RECENT YEARS. OPERATING IN BIGGER GROUPS THAN IN THE IMMEDIATE PAST, OFFICIALLY ACKNOWLEDGED AT UP TO 1500 MEN, THE BCP AGGRESSIVELY SOUGHT TO EXPAND THE TERRITORY UNDER ITS CONTROL. BY VIRTUE OF NUMERICAL SUPERIORITY, THE BURMA ARMY WAS IN EACH INSTANCE ABLE TO REGAIN LOST TERRITORY. ON BOTH SIDES THE EXPENDITURE OF RESOURCES, BOTH HUMAN AND MATERIAL, WAS COMPARATIVELY GREATER THAN IN RECENT YEARS, BUT VERY LITTLE TERRITORY PERMANENTLY CHANGED HANDS. AS THE DRY SEASON DRAWS TO A CLOSE THE BCP RETAINS ITS HOLD ON THE TERRITORY EAST OF THE SALWEEN RIVER IN THE SHAN STATE ALONG THE BORDER WITH CHINA EXCEPT FOR A SMALL AREA IN THE VICINITY OF KUNLONG AND HOPANG.

2. THE MAJOR BATTLES THIS YEAR TOOK PLACE AS THE BCP SOUGHT TO CLOSE OFF THE SMALL GOVERNMENT-HELD KUNLONG ENCLAVE AND TO EXTEND BCP CONTROL TO THE WEST OF THE SALWEEN. IN A MAJOR ENCOUNTER LAST OCTOBER, THE GUB REPORTED THAT SOME 1500 BCP HAD MOUNTED AN OFFENSIVE NEAR KUNLONG. IN BATTLES IN FEBRUARY AND MARCH 1978, BCP FORCES OF OVER 1300 AND 600 MEN EACH WERE OFFICIALLY ACKNOWLEDGED. THE NUMBER OF GOVERNMENT TROOPS WAS CONFIDENTIAL

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NOT REVEALED, BUT THEY WERE KNOWN TO HAVE THE BCP HEAVILY OUTNUMBERED IN THE LATTER STAGES OF EACH MAJOR ENCOUNTER. THE NORMAL PATTERN OF THESE ENGAGEMENTS WAS THAT THE BCP WOULD ATTACK AND OVERRUN GOVERNMENT OUTPOSTS, TEMPORARILY SEIZING NEW TERRITORY. THEN THE BURMA ARMY WOULD BRING UP REINFORCEMENTS, AND, WITH AIR AND ARTILLERY SUPPORT, EVENTUALLY FORCE THE BCP TO PULL BACK, WHILE INFLECTING HEAVY CASUALTIES ON BCP TROOPS WHO REMAINED IN THE AREA. REPORTEDLY, MOST OF THESE CASUALTIES WERE THE RESULT OF ARTILLERY FIRE AND AIR ATTACKS, WHICH INCLUDED THE DROPPING OF NAPALM. IN ADDITION TO THESE LARGER SCALE ENGAGEMENTS, THERE WERE A GREAT MANY OF THE USUAL SMALLER HOSTILE CONTACTS BETWEEN THE BCP AND GOVERNMENT FORCES, EXTENDING BEYOND THE SHAN STATE INTO THE KAYAH STATE TO THE SOUTH AND WESTWARD INTO MANDALAY DIVISION.

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3. ACCORDING TO GUB ESTIMATES, WHICH THE EMBASSY BELIEVES ARE PROBABLY EXCESSIVE, THE BCP LOST OVER 1300 MEN IN MAJOR ENGAGEMENTS SINCE LAST OCTOBER. IN ADDITION, SEVERAL HUNDRED WERE PROBABLY KILLED IN SMALLER ACTIONS. DESPITE THEIR LOSSES, THE BCP CONTINUED TO MOUNT ATTACKS AND HAVE GIVEN NO HINT OF BEING HAMPERED BY SHORTAGES OF EITHER WEAPONS, AMMUNITION OR PERSONNEL. BURMA ARMY SOURCES REPORT THAT THE MAIN BCP CASUALTIES IN RECENT FIGHTING HAVE BEEN WA, KOKANG AND OTHER HILL TRIBESMEN, MOST OFTEN BOYS IN THEIR EARLY TO MID-TEENS. ALTHOUGH WE ASSUME IT MUST BE VERY DIFFICULT UNDER THE CIRCUMSTANCES, THE BCP SEEMS QUITE CAPABLE OF RECRUITING REPLACEMENTS FOR THEIR BATTLE DEAD FROM AMONG THE PEOPLE INHABITING THE TERRITORY THEY CONTROL. HOWEVER, THE SUPPLY IS NOT INEXHAUSTIBLE, AS THE AGE OF THE RECRUITS INDICATES. BCP WEAPONS AND AMMUNITION PRESUMABLY COME MAINLY FROM THE PRC. CERTAINLY THE BURMESE ARE CONVINCED OF THIS. WEAPONS CAPTURED FROM THE BURMA ARMY ARE ALSO A SOURCE OF SUPPLY. ADDITIONALLY, THE BCP HAS AN INDEPENDENT SOURCE OF INCOME AS A RESULT OF THEIR INVOLVEMENT IN THE OPIUM TRADE (SOME 40 PERCENT OF BURMA'S
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OPIUM PRODUCTION IS GROWN ON LANDS UNDER BCP CONTROL), SO THEY ARE CAPABLE OF PURCHASING THEIR OWN ARMS AND OTHER SUPPLIES IF NECESSARY.

4. EVEN THOUGH THERE WAS MORE FIGHTING THIS YEAR, THE RESULTS AGAIN ARE INCLUSIVE. DESPITE THE BCP'S AGGRESSIVE STYLE, THE STRENGTH AND FIREPOWER OF THE BURMA ARMY IS SUFFICIENTLY

BETTER IN COMPARISON THAT IT SHOULD REMAIN CAPABLE OF TURNING BACK THE BCP ONCE IT CAN BRING ITS SUPERIOR FORCES TO BEAR. THE BCP HAS CERTAIN TYPES OF INTERMEDIATE RANGE WEAPONS NOT POSSESSED BY THE ARMY, BUT HAS NO ARTILLERY OR AIRCRAFT. ALTHOUGH THE BCP CANNOT HOPE TO DEFEAT THE BURMA ARMY MILITARILY, THEY ARE APPARENTLY CONVINCED THAT BY MAINTAINING CONSTANT PRESSURE THEY CAN GRADUALLY EXTEND THEIR INFLUENCE IN THE SHAN STATE. COOPERATIVE ARRANGEMENTS ESTABLISHED IN RECENT YEARS WITH ETHNICALLY BASED INSURGENT FORCES OPERATING IN ADJACENT TERRITORY, THE KACHIN INDEPENDENCE ARMY (KIA) AND PART OF THE SHAN STATE ARMY, HAVE FACILITATED BCP MOVEMENTS THROUGH THE AREA AND GENERALLY STRENGTHENED THEIR HAND. THE BCP'S STRATEGY APPARENTLY IS TO PRESS WESTWARD INTO THE CENTRAL SHAN STATE, THEN ON TOWARD THE IRRAWADDY VALLEY HEARTLAND OF BURMA. EVEN IN THE EVENT THE BCP ARE SUCCESSFUL IN ADVANCING DEEPER INTO THE SHAN STATE IN THE YEARS AHEAD, THEY WOULD REMAIN SEVERELY HANDICAPPED IN THEIR AMBITIONS TO PROJECT THEMSELVES ON A NATIONAL SCALE. BEING POLITICALLY BASED ON MINORITY ETHNIC GROUPS OF THE HILL REGIONS AND TOO CLOSELY IDENTIFIED WITH THE UNPOPULAR CHINESE, THEIR PROSPECTS FOR POLITICAL PENETRATION OF THE ETHNIC BURMAN CENTRAL PLAIN OF BURMA, ESSENTIAL TO BID FOR NATIONAL POWER, APPEAR DIM.

5. AT PRESENT, THE PROSPECTS SEEM QUITE GOOD THAT THE BURMA ARMY CAN CONTINUE TO CONTAIN THIS THREAT MILITARILY. AT THE SAME TIME, IT IS NOT LIKELY THAT THE GUB WILL DECIDE TO ADOPT
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A MORE AGGRESSIVE STRATEGY ITSELF AND ATTEMPT TO DEFEAT THE BCP AND DRIVE THEM OUT OF BURMA. THERE ARE VARIOUS REASONS WHY THE BURMESE ARE CONTENT TO HOLD THE PRESENT LINE. IT WOULD BE EXTREMELY COSTLY TO ATTACK THE BCP IN THEIR STRONGHOLD EAST OF THE SALWEEN RIVER, REQUIRING AN EXPENDITURE OF SCARCE RESOURCES THAT THE GUB EVIDENTLY IS NOT WILLING TO MAKE. THE RUGGED TERRAIN WOULD GIVE A CONSIDERABLE ADVANTAGE TO THE DEFENDERS, WHILE UNDER THESE CIRCUMSTANCES THE ARMY'S ARTILLERY COULD NOT BE USED VERY EFFECTIVELY. ALSO, IF IT LOOKED AS THOUGH GOVERNMENT FORCES WERE GETTING THE UPPER HAND, THE BCP COULD ALWAYS SLIP ACROSS THE BORDER INTO CHINA, LEAVING THE ATTACKERS EMPTY HANDED AFTER THEIR COSTLY OFFENSIVE, AND THEN RETURN AT A LATER DAY AFTER THE ARMY HAD LEFT THE AREA. THESE FACTORS ARE REINFORCED BY A GENERAL BURMESE RELUCTANCE TO UNDERTAKE MILITARY OPERATIONS CLOSE TO THE CHINESE BORDER OUT OF CONCERN FOR PROVOKING THEIR POWERFUL NEIGHBOR.

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6. WHETHER OR NOT THE BCP CAN SUSTAIN OR STEP UP THE LEVEL OF PRESSURE EXHIBITED THIS DRY SEASON IS A MOOT POINT. IN THE PAST, THEIR STAYING POWER HAS NOT BEEN AS GREAT AS THE BURMA ARMY. REGARDLESS, THE STRUGGLE WILL GO ON, AND THIS FACT HAS IMPORTANT RAMIFICATIONS. TO BEGIN WITH, THE INSURGENCY KEEPS A LARGE PART OF THE BURMA ARMY BUSY IN THE SHAN STATE TO COUNTER BCP MOVES, WHEN THEY MIGHT BE DEVOTING THEMSELVES TO OTHER MORE CONSTRUCTIVE ACTIVITIES. THE FIGHTING IS A SERIOUS ECONOMIC DRAIN, FORCING THE EXPENDITURE OF SCARCE FOREIGN EXCHANGE FOR AMMUNITION AND OTHER MILITARY SUPPLIES, WHILE BURMA'S ECONOMY REMAINS STAGNANT. THE WARFARE EACH YEAR FURTHER ERODES THE ALREADY BADLY DETERIOATED MATERIAL BASE OF THE ARMED FORCES, THUS CONTINUING TO UNDERMINE THEIR LIMITED CAPABILITY TO MAINTAIN SECURITY OR TO ADDRESS THE CHALLENGE OF THE ETHNICALLY BASED INSURGENCIES (KACHINS, KARENS, ETC.). THE GENERAL LACK OF GOVERNMENT CONTROL IN THE BORDER AREAS HAS OTHER SIGNIFICANT ECONOMIC IMPLICATIONS, AS IT PREVENTS THE RATIONAL EXPLOITATION OF VALUABLE MINERALS AND OTHER RESOURCES LOCATED THERE AND MAKES POSSIBLE THE NOTORIOUS CONTRABAND TRADE SO HARMFUL TO BURMA'S
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ECONOMY.

7. THE WARFARE CERTAINLY HAS A BEARING ON THE NARCOTICS SITUATION AS WELL. WHILE IN AREAS OF ACTUAL FIGHTING, OPIUM PRODUCTION TEMPORARILY DECLINES, THE OVERALL LACK OF GOVERNMENT CONTROL OF

TERRITORY IN THE SHAN STATE, BURMA'S MAIN OPIUM PRODUCING AREA, IS THE GREATEST SINGLE FACTOR INHIBITING NARCOTICS SUPPRESSION. IF THE BURMESE DID NOT HAVE THE BCP TO CONTEND WITH, THEIR CAPABILITY TO WIPE OUT OPIUM PRODUCTION AND PROCESSING ON BURMESE SOIL WOULD BE GREATLY ENHANCED. (IN ADDITION TO BEING A MATTER OF GREAT INTERNATIONAL CONCERN, HEROIN ABUSE HAS RAPIDLY BECOME AN INSIDIOUS PROBLEM ON THE LOCAL SCENE, WITH SOME POSSIBLE OMINOUS LONG TERM IMPLICATIONS FOR BURMESE SOCIETY.)

8. THE CONTINUING AGGRESSIVE POSTURE OF THE BCP ALSO AT LAST MAY BE HAVING SOME IMPACT ON BURMA'S FOREIGN POLICY ORIENTATION. IN THE PAST, BURMA HAS TAKEN A VERY CONCILIATORY ATTITUDE TOWARDS THE PRC, IN THE HOPE THAT PROFESSIONS OF FRIENDSHIP WOULD BE TRANSLATED INTO A CURTAILMENT OF PRC SUPPORT FOR THE BCP. THESE GESTURES WERE INTENSIFIED FOLLOWING THE ADVENT OF WHAT WAS VIEWED AS MORE PRAGMATIC LEADERSHIP IN PEKING, CULMINATING WITH THE "GOOD WILL" VISIT TO BURMA EARLY THIS YEAR OF PRC DEPUTY PREMIER TENG HSIAO PING. TENG'S DEPARTURE WAS FOLLOWED IMMEDIATELY BY A RESURGENCE OF LARGE-SCALE BCP ATTACKS, WHICH REPORTEDLY PERSUADED PRESIDENT NE WIN THAT HIS POLICY OF WOONG CHINA WAS BANKRUPT. HENCEFORTH, WHILE DOING NOTHING TO ANTAGONIZE PEKING, THE PRESIDENT HAS APPARENTLY DECIDED THAT BURMA SHOULD PUT MORE EMPHASIS ON CULTIVATING NEIGHBORING COUNTRIES AND THE WEST, INCLUDING THE U.S. THIS OPENING TOWARD THE WEST, PARTICULARLY IN THE ECONOMIC FIELD, IN FACT HAS BEEN QUIETLY UNDERWAY FOR SEVERAL YEARS. NO DOUBT ITS MAIN RATIONALE IS THE HOPE FOR EVEN MORE FOREIGN ECONOMIC ASSISTANCE TO BUILD UP
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BURMA'S PRESENTLY STAGNANT ECONOMY (AND POSSIBLY EVEN SOME MILITARY ASSISTANCE AS WELL). IF THE RECENT HISTORY OF BURMA-PRC RELATIONS HAD LED NE WIN TO CONCLUDE THAT THE BCP PROBLEM CANNOT BE RESOLVED BY DIPLOMACY, THEN PERHAPS HE HAS COME TO REALIZE THAT DEVELOPING A STRONGER ECONOMIC BASE WOULD MAKE BURMA, AMONG OTHER THINGS, MORE ATTRACTIVE TO THE COUNTRY'S MANY ETHNIC MINORITIES, AS WELL AS ALLOW SOME LIMITED MODERNIZATION OF THE ARMED FORCES TO DEAL MORE EFFECTIVELY WITH THE BCP THREAT.
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